

House File 626

S-5073

1 Amend House File 626, as passed by the House, as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 403.22, subsection 1, unnumbered
5 paragraph 1, Code 2022, is amended to read as follows:

6 With respect to any urban renewal area established upon
7 the determination that the area is an economic development
8 area, unless exempted under section 403.22A, subsection 6, a
9 division of revenue as provided in section 403.19 shall not be
10 allowed for the purpose of providing or aiding in the provision
11 of public improvements related to housing and residential
12 development, unless the municipality assures that the project
13 will include assistance for low and moderate income family
14 housing.

15 Sec. 2. Section 403.22, subsection 2, Code 2022, is amended
16 by adding the following new paragraph:

17 NEW PARAGRAPH. e. For urban renewal areas established
18 before July 1, 2022, rebates provided under section 403.22A.

19 Sec. 3. NEW SECTION. **403.22A Federal targeted area —**
20 **rebate agreements.**

21 1. For purposes of this section, unless the context
22 otherwise requires:

23 a. *“Actual value added by the improvements”* means the actual
24 value added by improvements made to the qualified real estate
25 as of the first assessment year for which the rebate was
26 received.

27 b. *“Federal targeted area”* means an area that has previously
28 been identified by the home owners' loan corporation or similar
29 entity as less desirable, declining, hazardous, or risky
30 for mortgage lending in accordance with or as the result of
31 implementation of the National Housing Act, Pub. L. No. 73-479,
32 48 Stat. 1246, the United States Housing Act of 1937, Pub. L.
33 No. 75-412, 50 Stat. 888, or a subsequent enactment of Congress
34 or successor provision of law prior to enactment of Tit. VIII
35 of the Civil Rights Act of 1968, commonly referred to as the

1 Fair Housing Act of 1968.

2 *c.* "Improvements" means rehabilitation and additions to
3 existing structures as well as new construction on vacant land
4 or on land with existing structures. However, new construction
5 on land assessed as agricultural property shall not qualify as
6 "improvements" for purposes of this section.

7 *d.* "Qualified real estate" means real property, other than
8 land, which is located in that portion of an urban renewal area
9 that is a federal targeted area and to which improvements have
10 been added during the time the area was designated by ordinance
11 under subsection 2 that have increased the actual value by at
12 least the percentage specified in the ordinance adopted by the
13 municipality under subsection 2, or if no percent is specified,
14 then by at least thirty percent. "Qualified real estate" also
15 means land upon which no structure existed at the start of the
16 new construction that is located in that portion of an urban
17 renewal area that is a federal targeted area and upon which
18 new construction has been added during the time the area was
19 so designated.

20 2. A municipality may, by ordinance, designate an urban
21 renewal area as being eligible for the municipality to
22 authorize property tax rebates under this section to eligible
23 property owners within the portion of an urban renewal area
24 that is a federal targeted area.

25 3. Following the designation under subsection 2, the
26 municipality may enter into agreements to provide property
27 tax rebates using moneys from the special fund of the
28 municipality referred to in section 403,19, subsection 2,
29 to owners of qualified real estate that is owner-occupied
30 residential property containing two or fewer dwelling units.
31 The rebate amount each year shall not exceed an amount equal
32 to the actual value added by the improvements while the owner
33 owned the property, not to exceed fifty thousand dollars,
34 multiplied by the assessment limitation percentage under
35 section 441.21, subsection 4, divided by one thousand dollars,

1 and then multiplied by the consolidated levy rate or average
2 consolidated levy rate per one thousand dollars of taxable
3 value applicable to the property.

4 4. The rebate provided under an agreement shall be allowed
5 for a period not to exceed fifteen consecutive years. Rebates
6 under this section shall be allowed for the authorized period
7 as long as the qualified real estate is legally or equitably
8 owned by the owner who added the improvements to the property
9 or the owner's spouse and is occupied by the owner or the
10 owner's spouse. If the military service or medical care
11 conditions of section 425.11, subsection 1, paragraph "d",
12 subparagraph (1), subparagraph divisions (a) and (b), relating
13 to homesteads apply to the qualified real estate, such real
14 estate shall be considered owner occupied.

15 5. If the owner of qualified real estate that receives a
16 rebate under this section sells the qualified real estate or
17 no longer occupies the qualified real estate, the agreement
18 shall be void for the remaining years of the agreement and if
19 the sale or move occurs within five years of the date of the
20 agreement, the owner shall be required to repay all rebate
21 amounts received under the agreement.

22 6. An urban renewal area established on or after July 1,
23 2022, upon the determination that the area is an economic
24 development area and which contains in whole or in part
25 a federal targeted area, is exempt from the requirements
26 of section 403.22, so long as the ordinance adopted under
27 subsection 2 remains in effect.>

28 2. Title page, by striking lines 1 through 5 and inserting
29 <An Act relating to urban renewal areas by authorizing
30 municipalities to provide property tax rebates for certain
31 owner-occupied residential property located in areas previously
32 subjected to lending discrimination.>

COMMITTEE ON WAYS AND MEANS
DAN DAWSON, CHAIRPERSON